

Date: 01/22/2004 11:04:11 AM  
From: Michael Boydston  
To: David Neleigh  
CopyTo: Ragan Tate  
Subject: Re: FW: Port Safety and Environmental Protection

Follow-up to previous discussions on the LOOP deepwater port. I've asked Elliott for more info on the MACT standard review. If the Region is interested in requiring a permit of the LOOP facility we would need to have some discussions with OGC about Title V and NSR issues (but don't take that as a deterrent). Seems to me that it would be consistent with our treatment of the current spate of deepwater ports to require that LOOP obtain an operating permit; I'm not sure what the requirements would be but would be happy to start looking into it if 6PD is interested.

Please let me know if you have any thoughts or questions.

----- Forwarded by Michael Boydston/R6/USEPA/US on 01/22/04 11:00 AM -----

Michael Boydston  
01/22/04 10:49 AM

To: Richard Bartley/R6/USEPA/US@EPA  
cc: Patrick Rankin/R6/USEPA/US@EPA  
Subject: Re: FW: Port Safety and Environmental Protection

Rick -- Here's the follow-up I just received from Elliott Zenick and Michael Horowitz at OGC on the loading/unloading question mentioned in the email chain below.

[Elliott said:

"I have spoken with Michael Horowitz and he agrees with your reading that the tank vessel standards apply only to loading operations. The proposed rule would have applied to both loading and unloading operations but the preamble to the final rule indicates that the unloading provisions were removed because changes in ship design eliminated ballasting operations (bringing water into the hold during unloading), which apparently had created the potential for releases from the holds.

Please note that the MACT standard for loading operations is up for review shortly. We could follow-up to see if there will be any change in the treatment of unloading operations." ]

That seems to leave us without much in the way of standards or requirements that would require vapor recovery on vessels unloading at LOOP. Conceivably, this situation could be addressed in the future by a permitting action as Pat mentions. I will ask Elliott about following up on the MACT standard review. Please let me know if you have any questions or thoughts about this.

Mike

----- Forwarded by Michael Boydston/R6/USEPA/US on 01/22/04 10:42 AM -----

Michael Boydston  
01/09/04 02:17 PM

To: Richard Bartley/R6/USEPA/US@EPA, Patrick Rankin/R6/USEPA/US@EPA  
cc:  
Subject: Re: FW: Port Safety and Environmental Protection

Just talked to Elliott about this -- he has forwarded the email chain to Michael Horowitz, who may have some thoughts on the 183(f) issues.

----- Forwarded by Michael Boydston/R6/USEPA/US on 01/09/04 02:08 PM -----

Michael Boydston  
01/09/04 12:29 PM

To: Patrick Rankin/R6/USEPA/US@EPA, Richard Bartley/R6/USEPA/US@EPA  
cc: Ragan Tate/R6/USEPA/US@EPA, David Neleigh/R6/USEPA/US@EPA, Elliott  
Zenick/DC/USEPA/US@EPA  
Subject: Re: FW: Port Safety and Environmental Protection

In previous inquiries we were unable to find any evidence of issuance of an air permit to the LOOP facility. This included talking to LDEQ. Their permit database apparently shows four permits for onshore LOOP Inc. facilities, but none for the deepwater port. Of course, it would be a federal permit if issued and might not show up in the state permit if it existed. I tend to think as Pat does that there probably is no permit for the LOOP deepwater port.

In light of our position on the LNG deepwater ports, the Region might want to reevaluate LOOP and at least get the emissions data necessary to determine whether they need a T5 or NSR permit. Offhand it looks like emissions would potentially include VOCs from crude oil transfer as well as NOx, SO2, and whatever else is produced by the generators on their pumping platform.

As for the specific subject of Captain Kuwahara's email, it occurred to me that the fugitives from loading/unloading would be covered by the tank vessel standards promulgated under CAA s. 183(f). Then I looked up the final rule promulgating these standards (60 FR 48388, 9/19/95) and saw that it seems to apply only to vessel loading, not unloading. Which appears to me to be a failure to fulfill the mandate of section 183(f), but perhaps I misunderstand something. Also there is some language in the 1995 final rule about not applying to offshore facilities.

Two sites with some info on LOOP:  
<http://www.loopllc.com/f1.htm>  
[http://www.dotd.state.la.us/programs\\_grants/loop/loop.shtml](http://www.dotd.state.la.us/programs_grants/loop/loop.shtml)

By the reference to lightering I take it that they are planning to use barges to move oil from ship to shore in Galveston. The 1995 final rule says that it doesn't apply to lightering operations, but that EPA may promulgate rules applicable to lightering in the future.

Am including Elliott on this email because he's our new OGC air contact for deepwater ports, picking up from Jon Averbach.

Patrick Rankin  
01/09/04 09:38 AM

To: Martin Brittain/R6/USEPA/US@EPA  
cc: Mark Hansen/R6/USEPA/US@EPA, Richard Bartley/R6/USEPA/US@EPA, Michael  
Boydston/R6/USEPA/US@EPA, David Neleigh/R6/USEPA/US@EPA, Ragan  
Tate/R6/USEPA/US@EPA, Rob Lawrence/R6/USEPA/US@EPA, Js Wilson/R6/USEPA/US@EPA  
Subject: Re: FW: Port Safety and Environmental Protection

I don't know what the program wants to do about this. Moreover, my colleague Mike Boydston would be far more qualified to provide advice on this subject than I. In the following discussion, I'm thus just suggesting a potential avenue the program may want to explore.

Assuming the Agency might want vessels calling on LOOP (a crude oil deepwater port licensed in 1979) to install vapor recovery systems, I'd guess the most probable means of achieving such a goal would be to include a requirement in a (minor) PSD and/or Title V permit issued to the port operator, requiring it to accept crude oil only from vessels so equipped. If the Louisiana SIP includes such a requirement, we might assert that it is a "federalized" State law that applies to this situation pursuant to 33. U.S.C. 1518.

I doubt the Air Program has issued any permits for this deepwater port. If memory serves, it's a buoy system through which the crude oil is

delivered to a pipeline for transport ashore. Other than fugitive VOC emissions from the transfer operation, the only other emissions I'd anticipate might be attributable to the port operator (as opposed to the vessels) would be from pump stations on the pipeline(s). Please note, however, that I haven't seen anything on LOOP since 1979 and I'd not want you to rely on my memory. Scott Wilson, in the NPDES program, would probably be a good source of information on the physical characteristics of LOOP. I understand an NPDES permit was issued it in 1979 and may be up for reissuance.

Before replying to this inquiry, you might also want to review a copy of the Coast Guard's 1979 deepwater port license on the outside chance it might contain some sort of vapor recovery requirement.

I'm not aware there's any deepwater port off Galveston and thus don't have a clue about that the "off Galveston" part of this inquiry.

Martin Brittain  
01/08/04 05:28 PM

To: Richard Bartley/R6/USEPA/US@EPA  
cc: Patrick Rankin/R6/USEPA/US@EPA, Mark Hansen/R6/USEPA/US@EPA  
Subject: FW: Port Safety and Environmental Protection

Rick:

Thank you for the your emails previously sent regarding this request referral by Jane LaCour of LDEQ. This is to request your advice on how EPA R6's response should be handled for the requestor.

I will be out of the office on Friday, 01/09/04.

Martin

Martin E. Brittain, P.E., NSPE  
Senior Enforcement Officer  
Toxics Enforcement Section (6EN-AT)  
U.S. EPA Region 6  
1445 Ross Ave.  
Dallas, TX 75202-2733  
Voice: (214) 665-7296  
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Email: brittain.martin@epa.gov

----- Forwarded by Martin Brittain/R6/USEPA/US on 01/08/04 05:22 PM -----

Jane LaCour <Jane.LaCour@LA.GOV>  
01/07/04 04:07 PM

To: Satoru\_Kuwahara@jp.nykline.com  
cc: Jeffrey Nolan <Jeffrey.Nolan@LA.GOV>, Martin Brittain/R6/USEPA/US@EPA  
Subject: FW: Port Safety and Environmental Protection

Mr. Kuwahara,

LOOP is located outside of the 3 mile territorial waters of Louisiana and is outside of the jurisdiction of the Louisiana Department of Environmental Quality. I am forwarding a copy of your e-mail to Region 6 of the Environmental Protection Agency located in Dallas, Texas to see what federal regulations may apply. If I may be of further assistance, please give me a call at 225-219-3716. Jane LaCour, Louisiana Department of Environmental Quality

-----Original Message-----

From: Satoru\_Kuwahara@jp.nykline.com  
[mailto:Satoru\_Kuwahara@jp.nykline.com]  
Sent: Wednesday, January 07, 2004 3:52 AM  
To: webmaster@deq.state.la.us; \_DEQ-WWW Reg Development

Subject: Port Safety and Environmental Protection

Dear Sirs,

I am given your web-site by Mr. Smith Jason in USCG MIO Europe.

We, NYK Line specialize in world wide shipping company in Japan and I belong to crude oil carrier division in our company.

We are writing in connection with vapour recovery/return line for crude oil tanker vessel.

Now we are studying with the calling double hull tanker vessel (VLCC) at US port and operating discharging crude oil. And we have any inquiry for calling tanker vessel at US port, so we contact with you.

Our plan is only discharging operation at LOOP and off Galveston (Lightering operation), we do not plan loading operation at any US area.

All tanker vessels in our fleet are not equipped with vapour recovery system complying with OCIMF and IMO guidance.

However we do not find any law and/or rule of USA that tanker vessel for discharging crude oil only must equip vapour recovery system in our investigation.

In case our tanker vessel do not equipped vapour recovery system, are we able to be call tanker vessel (VLCC) for discharging crude oil at LOOP and/or off Galveston ?

If we are not able to be call tanker vessel which no equipped vapour recovery system at LOOP and/or off Galveston for discharging operation only, we would be grateful if you could inform us any law or rule for requesting to equip vapour recovery system.

We are sorry to trouble you, but could you advise us about the mentioned matter.

We look forward to receiving your reply.

Faithfully yours,

Tanker Management Team, NYK Line  
Capt Satoru Kuwahara

Tel: +81-3-3284-5812  
Fax: +81-3-3284-5587  
Mail: satoru\_kuwahara@jp.nykline.

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From: Michael Boydston  
To: David Neleigh  
CopyTo: Richard Bartley,Ragan Tate  
Subject: Re: Loading/unloading operations

Further info on the MACT review.

----- Forwarded by Michael Boydston/R6/USEPA/US on 01/22/04 01:36 PM -----

From: Michael Boydston  
To: Michael Horowitz  
CopyTo: Elliott Zenick  
Subject: Re: Loading/unloading operations

Thanks, guys. I'll let people here know and see if our program is interested in talking to David Markwardt about it.

Michael Horowitz  
01/22/04 12:31 PM

To: Michael Boydston/R6/USEPA/US@EPA  
cc: Elliott Zenick/DC/USEPA/US@EPA  
Subject: Re: Loading/unloading operations

I don't know the schedule on the MACT review, but I presume it will be in the next two-three years. David Markwardt from OAQPS will be the lead and I'm the OGC contact.

Michael Boydston  
01/22/2004 11:59 AM

To: Elliott Zenick/DC/USEPA/US@EPA  
cc: Michael Horowitz/DC/USEPA/US@EPA  
Subject: Re: Loading/unloading operations

Thanks, Elliott and Michael. That seems to leave us without much in the way of standards or requirements that would require vapor recovery on vessels unloading at LOOP now (you may recall that it was an inquiry from a tanker captain that prompted this discussion). Conceivably, such situations could be addressed in the future by a permitting action.

We would be interested in hearing whether the MACT standard is going to change things. Any idea of the schedule for review, or who is doing the reviewing?

Mike

Elliott Zenick  
01/22/04 10:36 AM

To: Michael Boydston/R6/USEPA/US@EPA  
cc: Michael Horowitz/DC/USEPA/US@EPA  
Subject: Loading/unloading operations

I have spoken with Michael Horowitz and he agrees with your reading that the tank vessel standards apply only to loading operations. The proposed rule would have applied to both loading and unloading operations but the preamble to the final rule indicates that the unloading provisions were removed because changes in ship design eliminated ballasting operations (bringing water into the hold during unloading), which apparently had created the potential for releases from the holds.

Please note that the MACT standard for loading operations is up for review shortly. We could follow-up to see if there will be any change in the treatment of unloading operations.

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From: Patrick Rankin  
To: Js Wilson  
CopyTo: Bonnie Braganza, David Neleigh, Mark Hansen, Martin Brittain, Michael Boydston, Ragan Tate, Richard Bartley, Rob Lawrence  
Date: 01/13/2004 08:16:31 AM

Ummmmmm...I dunno. The definition of "deepwater port" in Section 2 of the Deepwater Port Act of 1974, 33 U.S.C. 1902, included a provision that such ports were to be considered "new sources" under both the CWA and CAA, just like the current amended act.

Myron's memory is apparently better than mine.

Js Wilson  
01/13/04 06:56 AM

To: Patrick Rankin/R6/USEPA/US@EPA  
cc: Bonnie Braganza/R6/USEPA/US@EPA, David Neleigh/R6/USEPA/US@EPA, Mark Hansen/R6/USEPA/US@EPA, Martin Brittain/R6/USEPA/US@EPA, Michael Boydston/R6/USEPA/US@EPA, Ragan Tate/R6/USEPA/US@EPA,

Richard Bartley/R6/USEPA/US@EPA, Rob Lawrence/R6/USEPA/US@EPA  
Subject: Re: FW: Port Safety and Environmental Protection

I don't have many details, but yes, the lightering operations offshore of Galveston are done to transfer oil to shallower draft vessels to bring it into the country.

Pat is also right, that LOOP was not considered to be a new source.

Scott Wilson  
Environmental Scientist  
EPA Region 6 (6WQ-PP)  
1445 Ross Ave.  
Dallas, TX 75202  
Telephone: 214-665-7511  
FAX: 214-665-2191

Patrick Rankin  
01/12/2004 05:20 PM

To: Rob Lawrence/R6/USEPA/US@EPA  
cc: Bonnie Braganza/R6/USEPA/US@EPA, David Neleigh/R6/USEPA/US@EPA, Js Wilson/R6/USEPA/US@EPA, Mark Hansen/R6/USEPA/US@EPA, Martin Brittain/R6/USEPA/US@EPA, Michael Boydston/R6/USEPA/US@EPA, Ragan Tate/R6/USEPA/US@EPA, Richard Bartley/R6/USEPA/US@EPA  
Subject: Re: FW: Port Safety and Environmental Protection

I remember it a little differently than Myron. As I recall, the NEPA effort was focused on the Coast Guard's Deepwater Port Act licensing action. If memory serves, the "new source" language was not in the Deepwater Port Act at the time and our NPDES permit action was thus not subject to NEPA review.

I'm getting old though and my memory plays tricks on me all the time.

Rob Lawrence  
01/12/04 08:46 AM

To: Patrick Rankin/R6/USEPA/US@EPA  
cc: David Neleigh/R6/USEPA/US@EPA, Js Wilson/R6/USEPA/US@EPA, Mark Hansen/R6/USEPA/US@EPA, Martin Brittain/R6/USEPA/US@EPA, Michael Boydston/R6/USEPA/US@EPA, Ragan Tate/R6/USEPA/US@EPA, Richard Bartley/R6/USEPA/US@EPA, Bonnie Braganza/R6/USEPA/US@EPA  
Subject: Re: FW: Port Safety and Environmental Protection

Pat - I am also including Bonnie Braganza of the air permits section since she had asked questions a couple of months ago about LOOP and air permits.

When I queried Myron, who was over the LOOP permitting function in the late 70s, he said that there was no air permit. The NEPA function, as he recalls, was focused on the water permit decision.

Is the off Galveston lightering operation a case where crude oil is transferred between vessels in order to bring crude oil into the country on more shallow vessels?

Rob Lawrence  
Senior Policy Advisor - Energy Issues

214.665.6580  
214.665.7263 (FAX)

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From: Elliott Zenick  
Subject: Re: FW: Port Safety and Environmental Protection  
To: Michael Boydston  
CopyTo:  
Date: 01/14/2004 10:10:18 AM

I agree.

Michael Boydston  
01/14/04 11:02 AM

To: Elliott Zenick/DC/USEPA/US@EPA  
cc:  
Subject: Re: FW: Port Safety and Environmental Protection

Will do. Of course, I just advise -- I don't make the decision as to whether we will require the facility to get a permit. With workload issues in our permitting program, they'll probably focus on the facilities where we have applications, DPA deadlines, and so forth to contend with, in the absence of some decision-forcing event. Seems to me that potential Title V and NSR issues don't really affect how we'll answer this inquiry from the Japanese ship, but are more long-term in nature. (I'd still like to talk to you and/or Lea about those sometime.) On the other hand, Michael H. may have something to say that would affect our answer to the inquiry. Do you agree?

Elliott Zenick  
01/13/04 03:10 PM

To: Michael Boydston/R6/USEPA/US@EPA  
cc:  
Subject: Re: FW: Port Safety and Environmental Protection

Please keep me informed of your decision process on the LOOP facility. I spoke with Lea and we agree that there is a potential Title V issue (and theoretically NSR issues). I am waiting to hear back from Michael on the ship unloading emissions issues and will let you know as soon as I have a response. Thank you.

---

From: Michael Boydston  
To: Richard Bartley  
Subject: LOOP site / deepwater port letter

Also -- On the LOOP site, if you click on "Port Information" there is a short discussion of environmental requirements. Looks like mostly this consists of a reference to Coast Guard water discharge regs.

----- Forwarded by Michael Boydston/R6/USEPA/US on 01/07/04 04:15 PM -----

Michael Boydston  
01/07/04 04:13 PM

To: Richard Bartley/R6/USEPA/US@EPA  
Subject: LOOP site / deepwater port letter

Rick -

Here is the LOOP site URL: <http://www.loopllc.com/f1.htm>

Attached is a copy of the letter from Chuck to El Paso Energy Bridge, which has a fairly detailed discussion of deepwater ports and EPA's air permitting authority, albeit as applied to a particular set of facts.

I neglected to mention just now that our position is that the effect of the deepwater port act is that the SIP of the nearest adjacent state constitutes federal law for purposes of the deepwater port, to the extent it applies and is not in conflict with federal law. This is in addition to the general applicability of the laws of the U.S. to deepwater ports. See section 1518 (a) and (b) of the Act (attached).

If there is anything else I can do to help please let me know.

Michael Boydston  
Assistant Regional Counsel  
214.665.7376  
214.665.2182 fax